Transportation and Public Works

Business Plan
2004-2005

April 21, 2004

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Message from the Minister and Deputy Minister

As the Minister and the Deputy Minister of the Department of Transportation and Public Works (TPW), we are pleased to share with you the department's business plan for 2004-05. The priorities outlined in this plan were developed to support the government's business and fiscal plans, and reflect the department's budgetary allocation.

The Department of Transportation and Public Works is investing public dollars wisely so all Nova Scotians can benefit, from improvements to our highways and bridges, to the design and construction of public buildings, to an improved provincial public safety communications network.

Good infrastructure is sound investment. It is an investment in people, in their safety and in their quality of life. Good highways give commuters peace of mind and give industry more reasons to choose Nova Scotia. Good maintenance programs protect public buildings.

The Department has many important initiatives planned for 2004-05, including significant investments in the field of highway and bridge infrastructure. These investments include the continuation of a five-year $50 million single-lane Steel Truss Bridge Replacement Program, and the continuation of major capital investments on Nova Scotia's 100-series highways.

Staff will be working on several important capital construction projects this year, including the design and management of school renovation and construction programs.

Transportation and Public Works will continue to improve Nova Scotia's rural road infrastructure by investing $12.5 million through the Road Improvement Money (RIM) program. Our highways and bridges will also benefit from a $6 million increase in capital funding for the 4R's program (resurfacing, restoration, rehabilitation, and reconstruction) in 2004-05.

The Department will also develop and introduce legislation to enable the establishment of a Halifax Regional Transportation Authority to address the growing traffic-related issues related to the Halifax Regional Municipality's (HRM's) population growth.

Our department will invest in additional equipment and services to improve the communications to public safety and volunteer agencies in the province. The communications network proved an invaluable and dependable resource to Nova Scotians during Hurricane Juan last year, and demonstrated the need to maintain and improve this service.

Transportation and Public Works will lead the delivery of road safety programs for the province, and develop effective programming to better promote highway safety in Nova Scotia. The Road Safety Advisory Committee will work in coordination with the Office of Health Promotion to develop education

and public awareness campaigns to address injury prevention.

Our department remains committed to cost-effective operations, as well as the exploration of new ideas and ways of doing business. Consequently, new technologies will continue to be introduced, and the ones already in use will be expanded. The public will continue to see the benefit of these intelligent technologies - such as Road Weather Information Systems and pre-wetting of salt - through improved snow and ice control and reduction in salt use.

Ron Russell, Minister

Brian Stonehouse, Deputy Minister

Mission

Construct, maintain and manage provincial highways, buildings and related infrastructure, and provide accommodation, property, corporate information technology and communications services to support sustainable economic growth and social well-being.

Transportation and Public Works is an infrastructure department that:

- provides services - direct or procured – to Nova Scotians and other government departments,
- focuses on our clients
- commits to safety, cost-effectiveness, and quality.

Planning Context

The Department of Transportation and Public Works has a diverse mandate, with clients including the public and other provincial government departments and agencies.

Our core businesses are managed and delivered by our Highway Operations, Public Works and Government Services Divisions. Their responsibilities include the construction, maintenance and operation of provincial roads, bridges and ferries, the p'anning and management of highway and building infrastructure and the provision of government support services, such as accommodation and property services. Activities undertaken by the Department in support of programs and services in these areas are critical in contributing to Government's priorities for the province.

Wherever you go in Nova Scotia, you'll see obvious signs that transportation and public infrastructure are vital to our economy. Whether it's a highway, bridge, railway track, airport or ferry terminal – each element contributes to the larger goals we share as a province. The buildings we help construct and maintain house the operations of government, support education throughout Nova Scotia, and enhance our ongoing efforts to promote tourism and culture.

In a changing environment, and a changing world, the Department of Transportation and Public Works continues to monitor regional, national and international issues that can affect the economic and social interests of Nova Scotians.

We continue to identify trends that are likely to affect our work in the coming year:

1) Aging infrastructure
2) Availability of funding for highway construction and maintenance
3) Federal transportation strategy
4) Availability of skilled human resources

5) Environmental concerns
6) Managing public expectations

1) Aging Infrastructure

Pavement doesn't last forever. The average age of pavement across Canada is 14 years. In Nova Scotia, the average is 21 years. Some roads are even older. As a consequence of deferred maintenance, the cost of repaving old roads has gone up considerably - from $120,000 to $200,000 per kilometer.

On the building side, Transportation and Public Works manages the capital maintenance of more than 1,000 government-owned buildings. Many of these facilities are more than 40 years old and need significant repairs. And as our population grows older, we'll be required to provide even greater accessibility for people who are disabled due to age or illness. Funding for the increasing volume of maintenance required will be a continuing challenge.

2) Funding for Highway Construction and Maintenance

Nova Scotia's roads and bridges need about $3.4 billion in capital construction work over the next 10 years. This infrastructure deficit is a result of years of declining budgets. Capital spending has increased in recent years. However, the deficit is large, and will remain that way in the near future.

We will continue to push the Federal Government to join us in providing a long-term highway funding agreement. As a department, we recognize that we are competing with other provincial departments for the same taxpayer dollars – money that's also needed for new schools, doctors' salaries and social support programs. While we continue to seek maximum provincial funding to address this shortfall, we will also continue to demand that the Federal Government reinvest a larger share of its fuel tax revenues in our public highway system.

3) Federal Transportation Strategy

Transportation planning, done properly, takes time. It also takes collaboration and partnerships with other government agencies and the private sector.

In 2003, the Federal Government released a document entitled "Straight Ahead - A Vision for Transportation in Canada". The implementation of this strategy provides an opportunity to influence federal policy in our region. We will continue to represent Nova Scotia interests. In particular, we are stressing the need for fair and affordable access to air, rail and marine transportation routes. Forty-one per cent of our total trade goes to export markets, so reliable access is critical.

4) Availability of Skilled Human Resources

As the Department strives to meet its mission and goals, we face the challenge of maintaining a professional and highly skilled workforce. The Department employs approximately 2500 employees. Due to years of hiring freezes, early retirement opportunities, budgetary impacts that depleted our employment resources and an aging workforce, Transportation and Public Works has reached a critical stage in its employment cycles. Approximately 340 employees are eligible to retire in 2004, and more than 600 by 2008. The Department is faced with the challenge of recruiting skilled workers such as engineers in a highly competitive market. The loss of corporate knowledge is also an important issue facing the Department.

Without a solid plan to meet these human resource challenges, it will be difficult for the Department to maintain and construct safe and efficient highways and buildings. Maintaining our technological infrastructure and offering progressive property management, financial, human resource and policy development expertise are also critical to our success.

To tackle this issue, the Department of Transportation and Public Works has undertaken a comprehensive internal plan called Planning for Progress. This plan will provide learning and development opportunities for our existing employees and raise the Department's profile with all other prospective skilled workers. The plan's objective is to facilitate the development of knowledge, skills, attitudes and behaviors that will help the Department meet its current and future operational requirements and business goals. Part of this plan includes educational opportunities for staff, employment opportunities for youth, and a program to train replacements for senior managers.

5) Environmental Concerns

In recent years, more public attention has focused on issues around air and water quality. As the provincial department responsible for cleaning up contaminated sites, we expect to face continual budget pressures as new needs are identified.

The Department of Transportation and Public Works has also developed an Environmental Management System. This system provides a framework for ensuring that all employees of the Department do their jobs in a more environmentally friendly manner. The system is continuously updated to address new environmental issues as they arise.

6) Managing Public Expectations

Nova Scotians drive on our roads and highways and visit our buildings and other facilities seven days a week, 52 weeks a year. They have a right to expect that their tax dollars are used to ensure the roads and buildings are safe and also contribute to effective public service. To provide that level of service, we will continue to pay close attention to the results of customer satisfaction surveys and again work closely with other government agencies and stakeholders in the private sector as we pursue the goals and

objectives set out in this year's business plan.

In summary, the transportation sector faces many challenges, as do the programs and services provided by Transportation and Public Works that support government program delivery by other departments. The issues will require a strategic and thoughtful approach, to ensure the economic and social policy goals of the Province of Nova Scotia.

Organizational Changes

Government fine tunes the structure of departments and agencies from time to time, in an effort to make its operations more efficient and easy to access.

A re-alignment of road safety responsibilities will bring rule-making and enforcement for vehicle compliance to Transportation and Public Works in 2004. The consolidation of rule making and enforcement activities for vehicle compliance will be provided under one roof, with no reduction in service. The realignment will eliminate the overlap of road safety program responsibilities, creating less public confusion, and more effective road safety programming.

Another merger has resulted in bringing the Department of Finance's human resources division (HR) under the same roof with TPW's HR group. This realignment is bringing new skills to the department, and strengthens the department's HR capacity.

As well, the government's procurement function has moved to the Office of Economic Development to support the supplier development initiative being led by that office. This is a realignment of resources within government that stems from a desire to put more emphasis on supplier development, and most importantly, development for Nova Scotian businesses.

Strategic Goals

The following goals support the government's corporate priorities.

1) Enhance the value and safety of the transportation system.

2) Manage provincial real property, effectively and efficiently, for government's best strategic advantage.

3) Provide the infrastructure and related policies necessary to support economic growth of the province.

4) Provide efficient, cost-effective and environmentally sound government services to address customers' needs.

A safe and effective transportation system plays a critical role in supporting the government's efforts to maximize economic growth and achieve greater prosperity for the province. Building infrastructure and provincial real property assets that are effectively and efficiently managed, and government services that meet the needs of client departments and agencies, are essential in supporting the strategic delivery of government programs and services.

Core Business Areas

The Department has three core operational areas: Highway Operations, Public Works and Government Services. Supporting sections include Policy and Planning, Public Affairs and Communications, Human Resources, Financial Services and Information Technology.

The Department's core businesses can be summarized as follows:

1. **Highway Operations**
   Construction, maintenance, and operation of provincial roads, bridges, and ferries.

   Programs and services in this core business area are designed to ensure efficient and effective construction and maintenance of the provincial highway system along with its safe operation, thereby contributing to economic well-being within the province.

2. **Public Works**

Activities related to the planning and management of highway and building infrastructure, including:

- highway, bridge and building design services;
- development of road safety policies, legislation and regulations;
- project management services for government construction projects;
- environmental services;
- administration of provincial industrial water utilities.

Under this core business area, programs and services have been established to support the departmental goals of providing a safe transportation system and provincial infrastructure to contribute to economic growth and sound environmental services to meet customers' needs.

3. **Government Services**

Provision of support services to provincial government departments and agencies, including:

- accommodation and property services;
- stationery stockroom;
- postal services;
- the delivery of telecommunications and information technology to meet the corporate business needs of government;
- public safety field communications services;
- administration of industrial parks and malls.

Programs and services under this core business area have been designed to provide high quality services that support other government departments and agencies in the delivery of their programs to Nova Scotians.

In addition to functions related to the provincial highway system, the Department also provides policy direction to ensure an effective air, rail and marine transportation system. This includes administering the safe operation of provincially regulated railways.

Priorities for 2004-2005

Core Business #1
Highway Operations

- Increase the amount of highway maintenance work carried out on rural roads, including: asphalt patching, ditching and graveling, shoulder repairs, brush cutting, and additional guardrail. This will be accomplished through increased funding for the Road Improvement Money (RIM) program, from $10 million to $20 million over a four year period. In the first year, the increase will be an additional $2.5 million bringing the total for 2004/05 to $12.5 million.

- Increase capital program funding for the 4R's program (resurfacing, restoration, rehabilitation, and reconstruction) on provincial highways and bridges by $6 million. The 4R's program expands on our current capital and maintenance improvement programs and will include such projects as the Cabot Trail repaving project from Point De Havre Road north to Cape Breton Highlands Park, as well as similar projects in other areas of the province.

- Implement a comprehensive Salt Management Plan to reduce the impact of road salt on the environment and achieve cost efficiencies, without compromising roadway safety. The salt management plan takes into consideration all activities potentially resulting in the release of road salts into the environment, such as: storage and handling, application of salts on roads, and disposal of snow containing road salts. The plan includes best management practices related to these activities, and establishes procedures to monitor and report on progress accomplished. A review will take place after five years to consider the improvements to best management practices and to determine if other steps are needed to further prevent or reduce negative impacts of road salts on the environment. This plan will ensure Nova Scotia meets or exceeds the Code of Practice for the Environmental Management of Road Salts established by Environment Canada in 2003.

- Continue to expand the network of Road Weather Information Stations (RWIS) across the province. Plans for 2004/05 are to install an additional six RWIS Stations eastward from the Pictou/Antigonish county lines along Highway 104 and Trunk 4 to Sydney. This initiative will be carried out in conjunction with an increase in the number of salt trucks which are capable of pre-wetting the salt with salt-brine, from 33 to 41, allowing the salt to be applied in a more timely manner based on information provided by the RWIS stations.

- Begin development of a multi-year capital planning process for highway construction and maintenance.

Core Business #2
Public Works

- Continue to make improvements to Nova Scotia's 100 series highway system in FY 2004-05. Approximately $20 million will be spent on design work, environmental screenings and highway construction. Highway construction projects for the coming year will include: Highway 103 near Tantallon, Highway 103 near Barrington, Highway 125 twinning, and Highway 101 intersection replacements.

- Continue the five-year $50 million Steel Truss Bridge Replacement Program. In 2004-05, year two of the program, $9 million will be invested. Further progress will be made on design work and environmental screenings. The completion of designs for up to ten bridges and construction of seven bridges are planned.

- Introduce legislation to enable the establishment of a Halifax Regional Transportation Authority. The authority would be responsible for strategic transportation planning for the region, including resolving the growing traffic/transportation-related problems resulting from the Halifax Regional Municipality's growing population. Work to develop the authority itself will continue in 2004-2005.

- Manage new school construction and renovations to existing schools, as prioritized by the Department of Education. Design work and pre-engineering activities will take place for future years, and construction is expected to be completed on Sydney Elementary, Truro Junior High, and Shelburne High during the 2004-2005 fiscal year.

- Lead the delivery of road safety programs for the province. Efforts, in 2004-05, will include the review of the graduated licensing program and development of a system to identify priority high collision road locations for improvement. Also, through leadership of the multi-disciplinary Road Safety Advisory Committee, TPW will contribute to ensuring successful implementation of the Injury Prevention and Control Strategy lead by the Office of Health Promotion.

- The Department of Transportation and Public Works will review the operation of its industrial water utilities with the view to transferring the ownership or operations to the users of the utility or the municipality in which the utility is located.

- Begin the first phase of a two-year project to demolish the old Infirmary building and remediate the Halifax Infirmary site on Queen Street, in the Fall of 2004. The Infirmary is currently vacant and there is no other useful purpose for this building. The demolition of this building will allow for the future development of this property.

Core Business #3
Government Services

- Prepare a provincial accommodations management plan to assist in the development of a strategic mix of provincially owned and leased accommodations administered by Transportation & Public Works.

- Invest approximately $600,000 in additional communications equipment and services to improve the communication services to public safety (e.g. Volunteer Fire Departments) and public works (e.g. R.C.M.P.) agencies in the Province over the next two fiscal years.

- Negotiate a new contract to supply Data Centre services for government. Processing and data for significant Provincial systems reside at the Data Centre, such as the Human Resources Management System, Registry of Motor Vehicles, and the Provincial Assessment system. In addition, the Data Centre hosts other applications for government departments including SAP and the health Information System.

- In cooperation with the Office of Economic Development, lead a three year project to identify areas to improve efficiency and reduce the cost of government's information technology operations.

Other Priorities

Transportation Policy

- On a bilateral basis and in concert with other provinces and territories, make representation to the Federal Government on the urgent need for substantial and sustained funding for infrastructure, particularly roads.

- Continue to represent the province's interests on air transportation issues with the Federal Government. These will include supporting the Halifax International Airport Authority in its effort to secure US Customs and Immigration pre-clearance services and identifying and advancing measures to address the viability of small airports.

- Identify and explore new business opportunities for improving railway service and traffic in Nova Scotia, including liaising with CN, VIA Rail, Port of Halifax, Cape Breton & Central Nova Scotia Railway, the Windsor & Hantsport Railway, and government departments and agencies on potential developments.

- Improve the competitiveness of the Port of Halifax by working with the Halifax Port Authority and other stakeholders to investigate rail service optimization strategies and to explore new business opportunities, and by urging the Federal Government to allow major Canadian ports to issue tax-exempt bonds to raise capital for infrastructure improvements.

Infrastructure Policy

- Develop, for Governments consideration, an infrastructure investment decision-making framework designed to improve the return on the province's future infrastructure investments and ensure existing infrastructure is utilized to its maximum potential. Infrastructure included in this framework will address: transportation facilities and equipment, piped services, information technology, corrections facilities, educational facilities, health facilities, cultural/recreational facilities, maintenance facilities, fleet vehicles, government owned property, buildings, structures, machinery and equipment. Work under this initiative will include a review of existing policies, procedures and decision-making processes, and an examination of potential measures to optimize the use, and prolong the useful life of existing public infrastructure.

Budget Context

Transportation and Public Works			
Program and Service Area	**2003-2004 Estimate**	**2003-2004 Forecast**	**2004-2005 Estimate**
	($thousands)	($thousands)	($thousands)
TCA Purchase Requirements	$134,908	$129,835	$134,762
Net Program Expenses			
Highway Operations			
Administration, Highway and Bridges	$85,652	$90,820	$84,902
Snow and Ice Control	$38,726	$42,376	$41,748
Ferries and Fleet	$5,387	$5,503	$5,387
Maintenance Improvements	$63,394	$39,366	$52,606
Vehicle Compliance	$0	$0	$2,051
Total Highway Operations	**$193,159**	**$178,065**	**$186,694**
Public Works			
Public Works and Special Projects	$13,527	$13,081	$14,219
Building Services and Utilities	$7,927	$7,807	$7,865
Engineering Services	$4,949	$4,787	$5,040
Environmental Remediation	$1,736	($64)	$3,260
Total Public Works	**$28,139**	**$25,611**	**$30,384**

Program and Service Area (Cont'd)	2003-2004 Estimate ($thousands)	2003-2004 Forecast ($thousands)	2004-2005 Estimate ($thousands)
Real Property Services	$4,245	$3,612	$4,106
Procurement and Postal	$1,306	$1,431	$0
Corporate IT Operations and Public Safety Communications Program Office	$12,612	$11,820	$11,903
Total Government Services	**$18,163**	**$16,863**	**$16,009**
Administration and Support	$7,193	$7,137	$7,922
Total Net Program Expenses	$246,654	$227,676	$241,009
Provincially Funded Staff (FTEs)	1,884.0	1,847.0	1,964.0

Fiscal 2004/05 Operating Budget Highlights

- Road Improvement Money increased by $2.5 million for a total of $12.5 million in 2004/05.
- Operating funding includes $620,000 as part of the 4R's program (resurfacing, restoration, rehabilitation and reconstruction) Blueprint commitment.
- Changes to the TCA policy reduced amortization rates for many asset classes including roads. The revised rates resulted in a $10.7 million reduction compared to Fiscal 2003/04.
- $1.5 million in funding has been included to start demolition and remediation of the Old Halifax Infirmary.
- Restructuring resulted in $1,354,000 operating account adjustments, as well as an increase in FTEs.
  - transfer of Human Resources Corporate Service Unit from Department of Finance $573,000
  - transfer of Vehicle Compliance from Service Nova Scotia and Municipal Relations 2,147,000
  - transfer of Procurement to Office of Economic Development <1,366,000>

Appendix A

Performance Measures